



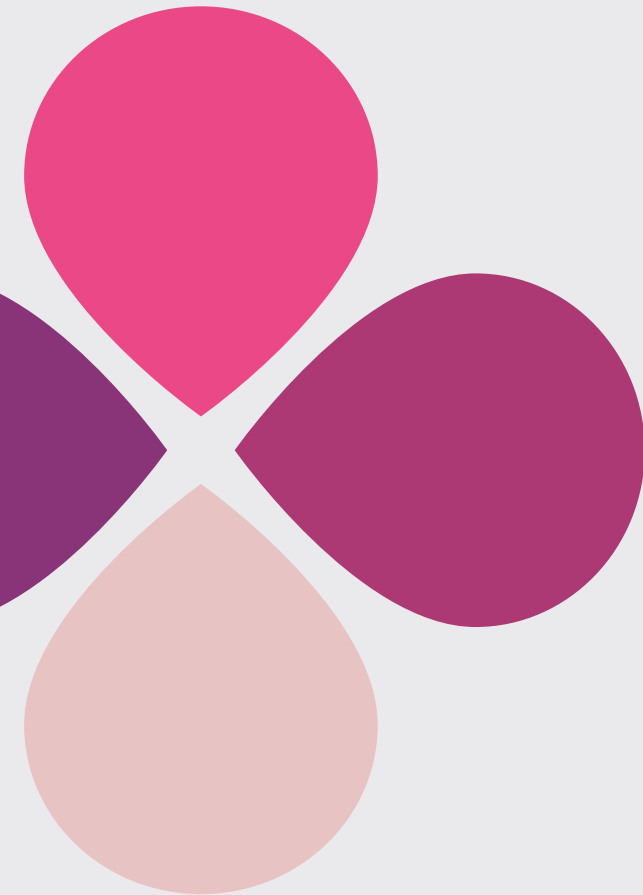
Edinburgh & Lothians
Health Foundation

Annual Report and Accounts

2019/2020

Scottish Registered Charity Number SC007342





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Longer lives, better lived.

We invest in projects which promote better physical and mental health and wellbeing for the people of Edinburgh and the Lothians.

We work in strategic partnership with NHS Lothian and other partners who share our vision and values to make a difference to people's health and wellbeing on a local, regional and national level.

We use our resources to enhance NHS provision, but not substitute it.

ACTIVITIES

We fund projects which are designed to:

- Improve the patient and carer experience
- Improve the health and wellbeing of the local community
- Reduce health inequalities
- Support Lothian as an academic Centre of Excellence
- Enhance NHS staff skills and performance
- Use the arts, volunteering and green space as a means to improve health
- Support the integration of health and social care systems

VALUES

Above-and-beyond:

We always provide additionality

Quality:

We strive for excellence in all we do

Inclusive:

We are committed to better health for all, and we will challenge health inequality

Independence:

We demonstrate independence in how we think and act

Transparency:

We act with transparency, accountability and integrity

Impactful

We strive for measurable quality outcomes

Influential:

We will use our influence to leverage wider support, innovation and sustainability.



Trustees' Report

180m sculpted Spine Wall, RHCYP/ DCN Art & Therapeutic Design Programme.
Artist: Peter Marigold



STRATEGIC REPORT

Achievements and Performance

In 2019/20, we continued to support the promotion of better health and wellbeing across Edinburgh and the Lothians through our grantmaking and investments, working with NHS Lothian and other partners. During the year we committed £5.980m in charitable expenditure (£5.332m in 2018/19). In line with our strategy we awarded grants to our strategic priorities including:



Over the following pages, we report in more detail our commitment to Strategic Development, Standing Grants, Other Grant Programmes and Specific Funds.



Achievements During 2019/20

STRATEGIC AIM 1:

To develop our grantmaking and programming to support the improvement of the physical and mental health and wellbeing of the people of Edinburgh and the Lothians.

What we achieved

- The full team of Volunteer Service Managers has been assembled; a Youth Volunteering Ambassadors Programme was launched, and the programme achieved accreditation as a Duke of Edinburgh activity supplier, both firsts in Scotland.
- Appointed a Greenspace and Health Programme Manager, established a Greenspace and Health Advisory Group and NHS Board Green Health Champion, Dr Patricia Donald.
- Through 'Tonic Arts', our Arts in Health and Wellbeing Programme, provided arts project management resource to ATD (Art and Therapeutic Design) Programmes for Jardine Clinic, Haematology and Renal Clinical capital projects.
- Awarded 81 Small Grants to a total of £169,193 for projects which improve the experience for patients of NHS Lothian.
- Approved the appointment of a Head of Funding Programmes to underpin strategic delivery and strengthen the Senior Management Team.

STRATEGIC AIM 2:

In particular through our Specific Funds, to target transformative support at NHS Lothian, making a tangible difference to service users, patients, their carers and staff.

What we achieved

- Number of funds reduced further to 511, ensuring that donated funds are targeted specifically where they will achieve maximum impact.
- Simplified stewardship protocols and increased delegated expenditure limits within the committee structure to expedite spend from Specific Funds.
- Conducted a review of the Foundation's access to the NHS Lothian procurement system to simplify access to purchasing systems.
- Following consultation, completed the final year of subsidising staff Christmas celebrations, with a plan to introduce substantial investment in staff wellbeing year-round from 2020/21 instead.
- Approved 62 grants above £5k to a total of £3.520m through the Specific Funds towards charitable projects within NHS Lothian, improving the patient experience, investing in new technologies and innovation, supporting the education and development of staff and supporting clinical research.

STRATEGIC AIM 3:

To grow the Foundation and use all its resources to maximum effect.

What we achieved

- Extended the missives on the sale of the Trustees' property portfolio at Sciennes to 30th June 2021, after the hospital vacates the site.
- Agreed an equalisation agreement on Stenhouse Market Gardens at Liberton Hospital, in preparation for disposal.
- Launched our first CRM database, Harlequin, to engage donors and boost fundraising efforts.
- Appointed a Head of Finance to the Senior Management Team, who will also lead the finance team.
- Recruited to Phase I of the planned Fundraising Team, appointing a Community and Events Fundraiser.
- Reviewed our policy with regard to trustees' duties and guidance on ethical and responsible investment.



STRATEGIC AIM 4:

To develop the Foundation as a well governed, well managed organisation.

What we achieved

- Redrafted Trustee induction programme and inducted two new trustees, and members to Greenspace and Health Advisory and Edinburgh Cancer Centre Funds Committees.
- Participated in iMatter, NHS Scotland's staff experience continuous improvement tool to understand and improve staff experience.
- Contributed to the Cabinet Secretary's review of NHS endowments recommending legislative change.
- Conducted a review of our Corporate Risk Management Policy.

STRATEGIC AIM 5:

To cultivate the Foundation as a more visible, accessible organisation.

What we achieved

- Appointed a Communications and Marketing Manager to support the development of a foundation-wide strategy.
- Rolled out our brand across a new suite of fundraising and marketing materials to support fundraisers and promote community fundraising.
- Published our Privacy Policy and Complaints Procedure on our website www.elhf.co.uk alongside key governance policy documents, in line with GDPR requirement and Scottish Fundraising Standards.
- Director joined the council of NHS Charities Together (formerly the Association of NHS Charities) as trustee and representative for all Scottish endowment charity members.



Strategic Programmes

In 2019/20 we continued to develop our Strategic Programmes, focusing on a small number of priorities with scaled-up long-term investment. We're currently supporting Arts in Health and Wellbeing, Greenspace and Health, Volunteering Well and R&D Transformation, and added Staff Health and Wellbeing to the portfolio during the year.



Arts in Health and Wellbeing

Our innovative Arts in Health and Wellbeing Strategy exists to enhance the patient experience and improve and support the health and wellbeing of staff, patients and visitors through the provision of high quality arts and creativity in the healthcare environment, to conserve the artistic assets of NHS Lothian, and foster a culture in which the benefits of the arts and the skills of the artist are valued across the service.

During the year we have:

- Won three awards including the Best Collaborative Arts Award at the UK Building Better Healthcare Awards, for the Pennywell All Care art commissions, created in collaboration with the local community and NHS Lothian staff.
- Worked with the Royal Scottish Academy to deliver the "Art on Request" service; we have received 100 reproduction artworks into the collection, donated by the Royal Bank of Scotland, and replaced a large artwork rental contract at the Royal Victoria Building with our own collection, including works by Scottish artist Wilhemina Barns-Graham.
- During a consultation with elderly patients conducted by Dr Conor Maguire on whether the works were too abstract and colourful, one patient said "Darling, we lived through the 1960s. Nothing is too colourful or abstract once you lived through that period."
- Installed eighteen art and design commissions in the new East Lothian Community Hospital, including artworks and graphics on walls, The Sanctuary spiritual room and garden enhancement, and exterior Physiotherapy sculptures.
- Through delivery partners Music in Hospitals and Care presented 350 live music concerts, workshops and events, engaging with 6,500 patients, visitors and staff. A draft Participatory Arts Strategy and Workplan will allow for additional new providers and a wider base of art forms, such as the Reminiscence Podcast project at the Western General Hospital with new partner Media Education.

Greenspace and Health

Thanks to our investment in partnership delivery NHS Lothian is forging new connections through its Greenspace and Health Strategic Framework.

During 2019/20 we successfully appointed an experienced Programme Manager, established a Greenspace and Health Advisory Group reporting to the Charitable Funds Committee and Trustees, and appointed the group's Chair, Dr Patricia Donald as NHS Lothian Board's Green Health Champion.

During the year we have:

- Published the first health board-led Greenspace and Health Strategy in Scotland, generating interest from both regional and national bodies.
- Integrated the Greenspace and Health Strategic Framework into the ongoing work on NHS Lothian's Sustainable Development Action Plan, including delivering a workshop at the Royal Infirmary of Edinburgh with the Sustainable Development Management Group.
- Piloted a range of therapeutic, nature-based activities and a volunteer buddy programme as a "whole hospital" approach to improve equality of access across wards at the Astley Ainslie, Royal Edinburgh and Midlothian Community Hospitals. The pilot has proved popular with nearly 600 patients who would not normally have access to outdoor activities.
- Working with partners The Conservation Volunteers and the Cyrenians we completed feasibility studies for green health activities at Howden Park, St John's Hospital and at the Astley Ainslie Hospital Walled Garden.
- Together with Edinburgh and Lothians Greenspace Trust, we have published a new edition of the Edinburgh Innetube Map to promote active travel in and around Little France, the Edinburgh BioQuarter and beyond.
- Begun to build networks of NHS Lothian staff to improve the estate for patient and staff health and wellbeing.





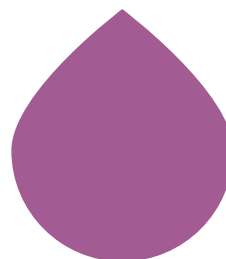
Volunteering Well

NHS Lothian leads the way in Scotland with its approach to volunteering, thanks to our investment, through the delivery of its highly innovative strategy, Volunteering Well.

Our vision for volunteering is a demand-led volunteering system that ensures volunteers will enhance the experiences of people using the services of NHS Lothian, and their unique perspectives of healthcare will help shape the care provided. Volunteers will have a personally rewarding experience and know that their contribution is valued and has made a difference. Our approach to volunteering will strengthen our contribution to the life of our local community. Highlights of the year include:

- The appointment of four new team members: Head of Volunteering, Third Sector Voluntary Services Manager, Youth Voluntary Services Manager and a Project Support Officer to complement the existing three Volunteer Service Managers.
- The Youth Volunteering Summer and Term Time Placement Programmes were launched early in 2020, and the Community Volunteering Programme was also designed, bringing together small groups of 14-16 year olds to support a Care of the Elderly Unit alongside the Activity Coordinator and adult volunteer.
- NHS Lothian has become an accredited Duke of Edinburgh activity provider (the first in Scotland), will support young volunteers to gain Saltire Awards, and young people volunteering with NHS Lothian will earn Young Scot Points.
- A NHS Lothian Volunteer Reference Group has been formed to help co design future developments such as the redesign of the volunteering web pages, uniform options, newsletter content, and design of promotional materials etc.
- A large scale data cleansing process to establish an accurate baseline of the volunteer numbers, demographics and experience levels, and a streamlining of the volunteer recruitment and induction to be more timely, effective and efficient in getting volunteers placed within the service.

- In response to the Lampard Report and Scottish Government's strategic guidance on best practice on working with third sector partners to engage 'indirect' volunteers, due diligence checks have been developed to ensure a safe and high quality volunteering experience for both volunteers and patients. Twenty-five Third Sector organisation partners are going through the process of signing a new Service Level Agreement with NHS Lothian.
- The continued success of the Volunteer Hub at the Royal Edinburgh Hospital, run by partners Volunteer Centre Edinburgh, including a Study Buddy programme linking patients with public volunteers who support them to study; nature-based activities, developed in response to patient requests; developing links with Napier University to support students to develop careers in healthcare; and renewing the Investing in Volunteers status.
- Usual volunteering activity including the Youth Volunteering Programme has been suspended due to the COVID-19 outbreak. However, nearly 700 volunteers (new and existing) have supported NHS Lothian's response to the COVID-19 outbreak; many of them are under the age of 25.





R&D Transformation Fund

In 2019/20 we continued our thematic investment in clinical research – cardiology and frailty– to support research and development infrastructure and improve patient outcomes, to help take discoveries from bench-to-bedside at speed.

We prioritised some of Lothian's biggest and most complex health challenges, as set out in NHS Lothian's strategy for Research, Development and Innovation. By supporting the infrastructure of clinical research, our investment will:

- Increase the capacity of clinical research teams
- Support the next generation of clinical researchers
- Increase the number of clinical trials being supported
- Recruit more patients to those trials

In 2019/20, the R&D Transformation Fund began a second programme cohort for cardiology research, matching a £50k grant from the General Fund with a similar sum from the Mackenzie Cardiac Research Fund.

We also funded a comprehensive evaluation of a GP-led patient-centred intervention for older people living with moderate to severe frailty, based in patients' own homes, starting in one practice in Midlothian. Better identification of frailty and better understanding of how to support people to live well with frailty is increasingly recognised as one of the greatest challenges to the health care system. Demonstrating whether a Comprehensive Geriatric Assessment (CGA) –based intervention can effectively be performed in the home, the project aims to improve the effectiveness and efficiency of health service delivery for frail older people in the community and make a meaningful impact on their health and wellbeing.





Staff Health and Wellbeing

NHS Lothian employs nearly 25,000 staff, whose own wellbeing at work is vital to the Foundation's mission to promote better physical and mental health and wellbeing for the people of Edinburgh and the Lothians.

Trustees agreed to support NHS Lothian's staff wellbeing through a strategic grant in 2019/20, with a view to support a number of new projects, implement a Microgrants Programme managed by the Healthy Working Lives representatives, and initiate a review of health and wellbeing offering across Lothian, to inform the drafting of a comprehensive NHS Lothian Staff Health and Wellbeing Strategy.

We also supported the creation of the Staff Listening Service for all NHS Lothian staff, offered by the Spiritual Care Team. The service offers a place to explore thoughts and feelings in a non-judgemental and safe environment.

The commissioning of the review of health and wellbeing was paused at the outbreak of Coronavirus. The work will be picked up in 2020/21, and will reflect learning gained from the wellbeing needs of staff during the acute phase of the pandemic.



I am so grateful to the Health Foundation for the kind donation of the benches. All the staff are really feeling the benefit of being able to sit comfortably during breaks"







Standing Grants

During 2019/20 Trustees supported a number of discrete but important programmes through a scheme of standing grants, reviewed annually. These grants achieve wide and positive impact for staff and vulnerable patient groups.

During 2019/20 we supported:

- The Elsie's: dedicated to staff development, in honour of Edinburgh doctor and suffragist Dr Elsie Inglis.
- The QNIS Queen's Nurse Programme: supporting the Lothian awardee(s) with an organisational grant.
- The Chief Executive's Fund: discretionary fund supporting projects across a wide range of projects.
- Enhanced patient Wi-Fi across NHS Lothian.
- Celebrating Success: NHS Lothian's awards night recognising the achievements of staff and volunteers.
- Lothian & Edinburgh Abstinence Programme (LEAP) Family Programme.



ELSIE INGLIS AWARDS

The popular 'Elsie's' continue to support staff development and training, with more than twenty individual awards being made during the year, including three delegates attending the Compassionate Mind Foundation's 8th International Conference at the Royal College of Physicians, Edinburgh, a British Sign Language qualification for an administrative services colleague at Comely Bank, and a baby massage instructors course for a community nursery nurse.

QUEEN'S NURSING INSTITUTE SCOTLAND (QNIS): QUEEN'S NURSE PROGRAMME

The Queen's Nurse title is awarded annually to twenty selected community-based clinical leaders after completing an intensive nine-month development programme. Trustees agreed to support QNIS with a grant to support the Lothian awardee(s) of the Queen's Nurse Programme with an annual grant of £10k. The 2020 Queen's Nurses for Lothian come from the Willow Service (Women's Community Justice Centre) and the Older People's Mental Health Crisis Response Team.

CHIEF EXECUTIVE'S FUND

During the year the Chief Executive's Fund supported a design competition and production of a thank you card and certificate to recognise long service of NHS Lothian staff. A grant was also committed towards Veterans FirstPoint's Ten Year Celebration and Conference, a learning experience for service users, their families and staff to shape the future care for veterans.

ENHANCED PATIENT WI-FI

During 2019/20 Trustees awarded £72k to roll out enhanced patient Wi-Fi across NHS Lothian sites. An implementation programme team was established short term and Wi-Fi was deployed across St John's, the Western General, Royal Infirmary and Royal Edinburgh Hospitals. The service is also partially available at Liberton, Roodlands, Allermuir, Firhill, East Lothian Community Hospital and Pennywell All Care Centre, and continues to be rolled out across smaller sites.

Anecdotal feedback on the provision of enhanced Wi-Fi has been positive and utilisation is very high; with an average daily unique device count of over 2,000.

CELEBRATING SUCCESS

Trustees supported NHS Lothian's 2019 Celebrating Success awards, which puts staff centre-stage and highlights the truly inspirational and selfless work they carry out across the health services in Lothian every day.

LOTHIAN AND EDINBURGH ABSTINENCE PROGRAMME (LEAP)

Through Trustees' funding of the LEAP Family Programme (LFP) the team have run GP educational events and a stakeholder event on the subject of adverse childhood experiences. They have also provided support and psycho-educational programmes to group members including Cognitive Behavioural Therapy one-to-one support. During the year, a new facilitator joined the team to lead the LFP, quickly establishing strong relationships with the group.



Other Grants Programmes



Small Grants and Hardship Fund

The Small Grants Programme was established to offer support to those areas which do not receive donated funds, and remains very popular in acute settings and for community based services. The funding of Small Grants enables staff to deliver a wide range of projects with clear patient benefit.

Highlights of the year's projects include yoga sessions for the patients of the St John's Hospital Mother and Baby Unit, resources to reduce anxiety for children with additional support needs in the Howden Centre Dental Clinic, Art Therapy activities for veterans supported by Veterans FirstPoint, and a drop-in style cafe for Midlothian Substance Misuse Service.

The Hardship Fund is a discreet scheme providing financial support for patients and their carers suffering acute financial distress as a result of their illness and admission. The programme was gradually rolled out across further NHS Lothian sites during 2019/20.



Royal Infirmary of Edinburgh

At the start of the year Trustees launched a call for new projects under the year's Capital Grant Programme. Of a total sum of £500k available for grants, following assessment trustees approved funding for 19 projects to a total of £475,375 including:

- To develop several projects in Medical Simulation training, in echocardiography (ultrasound waves to investigate the action of the heart), resuscitative thoractomy (emergency surgical incision into the chest wall), central venous cannulation (inserting a cannula inside a large vein), a Critical Care Learning Lab, and a major trauma Simulation Mannequin for in-situ Emergency Department (ED) team training.
- A Meaningful Activity Centre, a place where patients experiencing stress or distressed behaviours could attend to participate in various activities. The centre would be fully staffed, and would not only improve the patient's experience, but would also alleviate the stress experienced on the wards by other patients and staff when patients are showing signs of distress or distressed behaviours.
- Development and transformation of patient and family rooms in Medicine of the Elderly, Stroke and Cardiology to provide comfortable and private spaces for patients and carers.
- A Renal Young Adult (YA) Worker appointed to develop and assess the efficacy of new interventions for young adults aged 18-30 with chronic renal disease who currently exhibit reduced concordance with medical treatment. The YA Worker will work with individuals and groups to encourage young adults to make positive adjustments to their health conditions and take responsibility for managing their health and treatment.
- A Wellbeing Garden and Staff Room for the Royal Infirmary Emergency Department. For the 200 staff working in the high pressure area of the ED, without access to outdoor space, the new garden will be an inviting and calm area, easily accessible from the department, for staff to enjoy their well-earned break.
- To introduce and establish a Mirror Box Therapy programme for upper limb rehabilitation for patients after suffering a stroke to help their recovery, in line with the self-management agenda within the Stroke Improvement Plan.

WHO International Year of the Nurse and Midwife / Nightingale Challenge

NHS Lothian confirmed its participation in the 2020 WHO Nightingale Challenge, and a one-off sum of £50k was designated towards the development of proposals to support nurse leadership development over the calendar year. The impact of the Coronavirus global pandemic at the start of 2020 however has necessitated the Nightingale Challenge and associated events to be postponed.





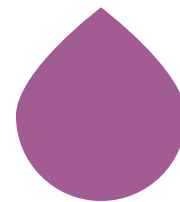
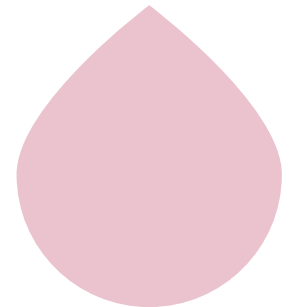
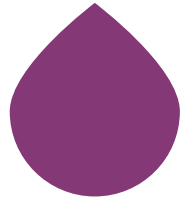
Specific Funds

Specific Funds are held for purposes relating to NHS Lothian hospital wards, clinical departments and areas of clinical research.

Most of our supporters direct their donations and fundraising towards a particular area because of a personal link, so too legacies are received with a specific purpose intended.

A Steward oversees each fund, directing expenditure which improves the patient and carer experience, and specifically targeted towards that fund's purposes (such as the purchase of equipment, patient amenities, refurbishment or staff development). During 2019/20, £1.939m was received to the specific funds in voluntary and investment income (2018/19: £3.463m), and a total of £4.164m was spent on charitable purposes (2018/19: £3.190m)

- Two grants totalling £280k from the Haematology Research Fund to develop a clinical trials portfolio in advanced therapies. CAR-T cells, part of a larger group of new treatments called advanced therapeutics, represent one of the most exciting developments in the field of haematology. This funding will support an expanded CAR-T clinical trials portfolio, with the aim of being able to offer patients across all haematological malignancies a wider range of trial therapies including CAR-T treatments and to expand the research programme.
- Approval of a grant of £84k towards the purchase of a state-of-the-art Optos Monaco ultra-widefield retinal imaging device with integrated optical coherence tomography (OCT) for the Princess Alexandra Eye Pavilion, as a result of a specific and private fundraising event arranged by one of our important benefactors.
- £16k from the Royal Hospital for Sick Children General Purpose Fund to establish the NHS Lothian Youth Panel, a group of 11-26 year olds working together to help shape the future of NHS Lothian health information and services across Edinburgh, East Lothian, Midlothian and West Lothian, and engage with other young people from across the region on issues related to the development and delivery of health and social care services. The panel is facilitated by Young Scot.
- From the Child and Adolescent Mental Health Service (CAMHS) Eating Disorders Development, Research and Self Help Fund, a further instalment of £148k to the improvement programme focusing on research and improvement in prevention and treatment of eating disorders for under 18s in Lothian.





Fundraising

“We want to say a million thanks to everyone in the department of Clinical Neurology.”

Fiona and Lorna set themselves a challenge to run, cycle and kayak, 105 miles, over 2 days from Nairn to Ballachulish. The team at Clinical Neurology performed life-saving surgery for Fiona's mum, Teri, and Fiona's partner, Scott, so they want to raise money to say thank you.

Teams of walkers took part in the Kiltwalk events across the country raising money for their chosen wards and departments. Thank you to the Hunter Foundation for topping up all fundraising by 20%.

“We decided to run the Edinburgh 10k as many of us have family or friends affected by cancer. We wanted to raise as much as we could to help support the cancer unit at the Western General Hospital, where many of our friends and family have been treated and cared for. The staff are so supportive and friendly and we wanted to give something back.”

Our wonderful Mag's Fish Supper Ceilidh committee was shortlisted for the Institute of Fundraising Voluntary Fundraising Group of the Year award for their ongoing fundraising in memory of Margaret Lee. The Committee has raised over £180,000 towards the Western General Cancer Centre and complementary therapies at St John's Hospital for those in cancer recovery.

These are just some of the ways our wonderful fundraisers raised money and completed personal challenges to raise money to support patients and staff across NHS Lothian. We are grateful to every single person who took part in an event, sponsored or supported our fundraisers and those who donated to their chosen wards or departments.

At the end of March 2020 we launched our NHS Lothian COVID-19 Appeal in response to the public, business and community groups wishing to show their thanks, support and gratitude to our NHS key workers during the Coronavirus pandemic.

Coronavirus Rapid Response

The spread of Coronavirus across the world in the early part of 2020 caused a transformation in our activity. Most programmed activity (such as arts and greenspace) was paused in March and the Celebrating Success and World Health Organisation's Nightingale Challenge were cancelled. The Charitable Funds Committee was temporarily stood down and replaced with an Emergency Management Board. The Senior Management Team and Programme Managers were able to designate underspent general fund budgets of £233k to a separate fund to aid in the response to the Coronavirus.

The Funding Programmes Team pulled together as a 'Rapid Response Unit', coordinating both an upsurge in funding requests (from the COVID-19 Response Fund) and the gifts-in-kind register. This is likely to continue into 2020/21.

NHS Charities Together also launched a COVID-19 Urgent Appeal in the final week of the financial year, from which all NHS Charity members across the UK stand to benefit.





Our Plans for 2020/21

Trustees agreed to roll forward the Corporate Strategy 2015-20 for a further year to 2020/21, in order to allow the new Senior Management Team to play an active role in developing any new strategy, and also to align this with parallel grantmaking, fundraising and investment strategies.

In late March 2020 the Coronavirus pandemic necessitated an urgent review of operational, strategic and governance activity, which will affect the Foundation in 2020/21 and beyond. Our published plans for 2020/21 are reflective of this fast-moving situation.

STRATEGIC AIM 1:

To develop our grantmaking and funding programming to support the improvement of the physical and mental health and wellbeing of the people of Edinburgh and the Lothians.

- We will recruit to a Head of Programmes post to support the consolidation of the grantmaking and funding programmes, including the allocation of funds and grants received as a result of the COVID-19 campaign.
- We will invest in the development and fast-track delivery of a staff wellbeing strategy for NHS Lothian, in particular ensuring an equitable and authentic wellbeing offering across all key sites and to all staff groups.
- We will deploy a rapid response unit to support the increased demand for grant funding to support patients, volunteers and staff during and exiting the COVID-19 pandemic.
- We will deliver Year 4 of the Capital Grants programme, likely to be reflective of donated income and grants received from NHS Charities Together towards the COVID-19 emergency response, and recovery and exit.

STRATEGIC AIM 2:

In particular through our Specific Funds, to target transformative support at NHS Lothian, making a tangible difference to service users, patients, their carers and staff.

- We will review the status of our General (Unrestricted) Funds, and consolidate where appropriate.
- We will fully establish the Edinburgh Cancer Funds Committee to oversee multiple Specific Funds at the Western General Hospital.
- We will continue to reduce the number of duplicate and dormant funds to ensure donated funds are targeted to achieve maximum impact.





STRATEGIC AIM 3:

To grow the Foundation and use all its resources to maximum effect.

- We expect to complete the sale of Stenhouse Market Gardens, the Trustees' landholding next to the Liberton Hospital.
- We will conduct an independent review of our investment portfolio performance, including the Charities Responsible Multi Asset Fund (RMAF) holding.
- We will continue to build on the success of our fundraising and marketing activities.
- We will conduct a local COVID-19 Appeal, in response to the outbreak of Coronavirus and to support NHS staff, volunteers and patients affected by the pandemic.
- We will develop a staff training and development budget, to support the expanding team.

STRATEGIC AIM 4:


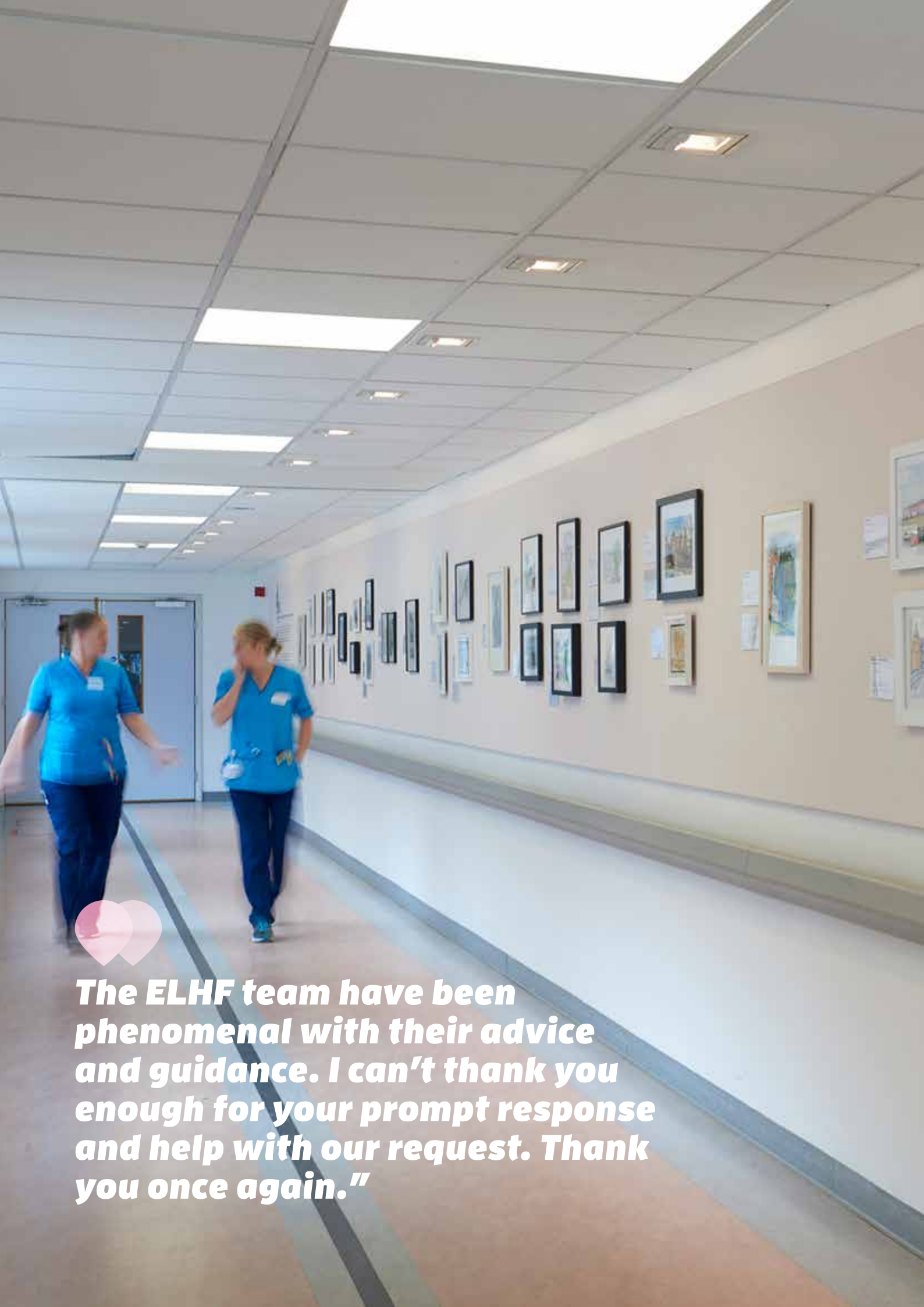
To develop the Foundation as a well governed, well managed organisation.

- We will continually develop our governance documentation and work towards the adoption of the Scottish Charities' Good Governance Code.
- We will induct, support and develop new NHS Lothian board members, to equip them with the knowledge and skills necessary to fulfil their ex officio Trustee role. This will include in 20/21 the appointment of a new Trustee Chair and Charitable Funds Committee Chair.
- We will develop appropriate governance structures to enable the Foundation to respond to the COVID-19 pandemic; this will include the creation of a temporary Emergency Management Board.
- We will ensure the robust governance and management of the funding and grant programmes developed as a result of NHS Charities Together national campaign.

STRATEGIC AIM 5:

To cultivate the Foundation as a more visible, accessible organisation.

- We will develop a comprehensive marketing and communications strategy using multiple channels, reflecting our fundraising and operational activities.
- We will redesign a new website, which is more donor focused and supportive of fundraising activity.
- We will publically launch Tonic Arts, our Arts in Health and Wellbeing programme.
- We will conduct a review of and publish our charitable reserves policy.



The ELHF team have been phenomenal with their advice and guidance. I can't thank you enough for your prompt response and help with our request. Thank you once again."



Financial Review

OVERVIEW

The Foundation's fund balances at 31 March 2020 were £75.620m (2018/19 £81.412m). While the investment portfolio continued to show a positive return by £2.815m, this is offset by a reduction in the year end debtor position of £8.289m.

The Foundation's income in 2019/20 was £4.383m (2018/19 £5.565m), and expenditure was £6.399m (2018/19 £5.676m).

The Foundation's net assets decreased to £75.620m (2018/19: £81.412m).

INCOME

Income 2019/20 remained steady although showing a decrease overall on 2018/19 income levels. Voluntary income of £2.182m (2018/19 £3.446m) was supported by a positive contribution of both legacies and donations, while income from investments and property reported an increase on 2018/19 levels.

The Foundation's net outgoing resources, after investment losses of £3.776m were £5.792m (2018/19 net incoming resources were £4.655m).

EXPENDITURE

In 2019/20 Trustees approved £5.980m in charitable grants. Some highlights are described across pages 8–21 but for a full listing of our charitable grants go to www.elhf.co.uk

COSTS OF RAISING FUNDS

Investment management costs of £0.330m were slightly higher (2018/19 £0.329m). This aligns with the higher portfolio balance as fees are linked to the fund value.

PERFORMANCE GOING FORWARD

The Foundation, together with NHS Lothian, concluded conditional missives on the joint sale of the buildings at the Royal Hospital for Sick Children in 2017/18; however the receipt from the disposal of Trustees' holding will not be realised until after the transfer of clinical services to Little France in the autumn of 2020. An agreed equalisation formula will form the basis of the split of the receipt. A reduction in rental income is anticipated.

The Fundraising Strategy for the Edinburgh Cancer Centre was approved in May 2018, alongside a new branding system. Through investment in fundraising and marketing, additional income will build over the next five years to a gross, sustainable £2m per annum for cancer.

Our internal audit reviews in 2019/20 gave Trustees assurance in their governance framework and activities going forward.

RESERVES POLICY

Our policy is to hold investment reserves of 20% of the valuation of the investment portfolio to manage the impact of valuation changes on the capacity of the Foundation to support expenditure on grants.

The balance of investment reserves (realised and unrealised) at 31 March 2020 was £20.008m (31 March 2019: £23.969m), at 28% slightly above the Foundation's acceptable risk threshold of 20% of the valuation of the portfolio.

Trustees last made a distribution of excess realised gains in 2017/18.

INVESTMENT PERFORMANCE

The COVID-19 pandemic has proved a challenging time for all charities and has resulted in a fall in investment valuations. Governments have imposed unprecedented restrictions on their citizens, resulting in greatly reduced activity in the world's largest economies. In this environment the portfolio has performed below the CPI+4% target over the 12 month period as markets crashed on 23 March when lockdown restrictions were imposed in the United Kingdom.

The portfolio generated a return of -3.8%, behind the benchmark -1.9% for the year; and remains ahead of the benchmark over 3 years and since inception.

Despite stronger relative returns from equities the fixed income and alternatives positions detracted from relative returns. The returns in the equities were helped by a preference for technology, healthcare and staples sectors where there is a greater element of recurring revenues and resilient demand in the face of global economic lockdowns.

Since the end of March, the COVID-19 pandemic continues and markets are expected to remain volatile as the situation evolves. Markets will begin to settle when economies are open for business again and we would anticipate a sharp rebound in growth in the second half of the year as activity gets back to normal.



TABLE 1:
EDINBURGH AND LOTHIAN HEALTH FOUNDATION INVESTMENT PERFORMANCE SUMMARY FY2020

	Benchmark asset allocation (%)	Allocation as at 31 March 2020 (%)	Performance as at 31 March 2020 (%)	Allocation as at 31 March 2019 (%)	Performance as at 31 March 2019 (%)
Portfolio	100	100	-3.8	100	10.0
RPI + 4%			5.2		5.5
Benchmark*			-1.9		6.4
Equities	60	62	-4.7	66	13.1
<i>Composite Equity Benchmark*</i>			-7.7		9.0
Bonds	20	17	4.4	18	4.0
<i>FTA Gov All Stocks</i>			9.9		3.7
Multi-Asset Funds			6.0	2	-3.1
Alternatives (exc. Multi-Asset)	20	20	1.4	13	17.3
<i>UK 3-month LIBOR</i>			0.8		0.8
Cash	-	1	3.8	1	13.1

*all performance figures are net of Investment Management costs. Benchmarks are set within our Investment Policy and mandate.

Common Investment Scheme

The Trustees participate, under a Service Level Agreement (SLA) with the Trustees of Lanarkshire Health Board Endowment Fund, in a Common Investment Scheme. Only the Foundation's share of the Common Investment Scheme assets is included in the balance sheet under investments.

The Common Investment Scheme portfolio was valued at £75.229m at 31 March 2020 (2018/19: £73.237m) of which £70.991m related to the Foundation (2018/19: £68.361m).

Investment Policy

The investment objective is to maximise the "total return" (i.e. aiming to achieve an investment return through both income and capital growth) within moderate parameters of risk, and to maintain the real capital value of the portfolio over the long term.

The investment target is to achieve an annual rate of return (i.e. incorporating an allowance for inflation) of CPI + 4%. The Trustees have agreed not to set a specific annual income target.

The Trustees have agreed to a moderate tolerance of risk, accepting that at times this will mean accepting short or medium-term declines in capital values.

Trustees have considered the cost and risk implications of constructing a portfolio from a blend of directly held securities and pooled funds, and have concluded that this route is appropriate given the foundation's specific requirements, particularly with respect to ethical and responsible investment, which cannot be met with sufficient proximity by pooled funds alone.

Ethical and Responsible Investment

During 2019/20 Trustees reviewed their policy with regard to their duties and guidance on ethical and responsible investment, and believe that responsible investment can enhance long-term portfolio performance. In particular, capturing investment opportunities driven by environmental, social and governance (ESG) integration and active ownership may have a material positive impact on investment returns and risks.

Trustees' investment manager, in particular in the equity portfolio, is encouraged to take an active approach to engagement in these areas when considering both existing and prospective investments.

Trustees also encourage their investment manager to discharge their responsibilities in accordance with current best practice including the UK Stewardship Code, and the UN Principles of Responsible Investment.

The Trustees maintain the following investment restrictions, which would be in direct conflict with the foundation's objectives:

- No direct investments in companies involved in tobacco production, distillers of alcoholic beverages or armaments. Screened at 10% of revenue.
- Underlying securities of pooled funds are screened prior to acquisition for exposure to tobacco, alcohol and armaments at 10% of revenue and will only be invested in if these represent less than 5% of the overall assets of the relevant fund.

The foundation also has an investment of £5m in a Responsible Multi-Asset Fund, which mirrors the portfolio's target return objective, risk tolerance and asset allocation strategic weightings and tactical ranges. The fund builds on Trustees' response to responsible and ethical investment by excluding exposure to coal and tar sands, alcohol, pornography, armaments, tobacco, gambling, high interest lending and human embryonic cloning.

During the year the Investment Managers attended meetings of the Charitable Funds Committee and presented to the Board of Trustees.



Principal risks and their management

Trustees aim to adopt best practice to identify and mitigate against risks, and to have appropriate procedures and controls in place.

The Trustees' risk management objectives are to:

- Integrate risk management into the culture of the Foundation
- Manage risk in accordance with best practice
- Consider legal compliance as an absolute minimum
- Anticipate and respond quickly to social, environmental, financial and legislative change
- Raise awareness of the need for risk management

Systems in place to identify and mitigate risks include:

- The Risk Management Policy was approved by Trustees in 2020, and will be reviewed in 2023
- The Risk Management Policy is a reserved matter for Trustees
- Oversight responsibility for risk management is delegated to Charitable Funds Committee
- The Risk Register is reviewed as a standing agenda item by the Charitable Funds Committee
- Internal audit periodically reviews risk management systems and controls (most recently in 2016/17)

The Risk Management Policy was updated in 2020 to include a Risk Policy Statement:

To support our vision of longer lives, better lived we proactively work to manage and reduce risks which would impact our ability to invest in the promotion of better health and wellbeing, and enhance the experience and care for patients and hospital communities.

The principal risks and management strategies are summarised below.

ECONOMIC & FINANCIAL

Unable to provide suitable office accommodation to the growing team, caused by expansion of team beyond NHS Lothian's capacity, overcrowding effecting staff morale, health and wellbeing, and impacting/limiting further recruitment. In mitigation, system of hotdesking and remote working rolled out, and a Trustee/SMT review group developing business case for relocation.

Trustee Assurance: Limited
Residual Risk: Limited

GOVERNANCE & MANAGEMENT

Conflicts of interest arise due to inability of Trustees to pursue the foundation's objects without influence or granting of funds to 'core' business because Trustee is also NHS Lothian board. Mitigating controls include a robust and separate governance structure including a Charter, Trustee Role Description, Code of Conduct, Conflict of Interest Policy and Register of Interests.

Trustee Assurance: Significant
Residual Risk: Medium

OPERATIONAL & EXTERNAL

Limitation on fundraising / voluntary income due to low awareness of the Foundation or competition within the space. In mitigation the newly expanded fundraising and marketing team is leading on branding and a proactive approach to marketing and fundraising.

Trustee Assurance: Moderate
Residual Risk: Medium

Adverse publicity / reputational risk caused by negative publicity across Scottish NHS Charities, causing loss of donor confidence and voluntary income. In mitigation, the Foundation maintains a strong and transparent governance framework (considered best practice) which is regularly audited. The Foundation Director took part in the Cabinet Secretary's 2019 review of NHS Charity governance and legislation.

Trustee Assurance: Moderate
Residual Risk: Medium



Structure, governance and management

FOUNDATION'S OBJECT

Edinburgh and Lothians Health Foundation is the operating name for the Lothian Health Board Endowment Fund, which is registered as a charity in Scotland SC007342. Our registered office is Waverley Gate, 2-4 Waterloo Place, Edinburgh, EH1 3EG.

The Foundation, by virtue of its governing document the National Health Service (Scotland) Act 1978 is constituted as a corporate Trustee, i.e. Lothian Health Board is the corporate body Trustee of the Foundation.

The Foundation's objective is the advancement of health, through the improvement of the physical and mental health of the people of Edinburgh and the Lothians, the prevention, diagnosis and treatment of illness, the provision of services and facilities in connection with the above, and the research into any matters relating to the causation, prevention, diagnosis or treatment of illness, or into such other matters relating to the health service as the Trustees see fit.

The Trustees shall observe the principal of not granting endowment funds as a substitute for a core provision, or to cover a responsibility of Lothian NHS Board which is a requirement of health and safety, employment law or a ministerial policy direction. This is in order to reduce the risk of conflict of interest between the role of Lothian Health Board and the Foundation Trustees.

APPOINTMENT OF TRUSTEES

All members of Lothian Health Board are appointed by Scottish Ministers. Board members become Trustees of the Foundation ex officio, which leads to a consolidation requirement. Trustees collectively are an unincorporated body distinct from Lothian Health Board which indemnifies Trustees (collectively and individually) against allegations of neglect or breach in respect of their duties as Trustees.

The appointment as Trustee is legally distinct from the appointment as board members and individual board members, in their capacity as Foundation Trustees, are required to meet the requirements of the Charities and Trustee Investment (Scotland) Act 2005. No other individuals are permitted to be appointed to act as Trustees. Trustees who served throughout the year to 31 March 2020, except where otherwise disclosed, are listed on page 28.

Trustees are given a comprehensive induction to the Foundation when they join the Board, including an induction pack which includes the Foundation's Charter, Trustee Role Description and Code of Conduct and Conflict of Interest Policy. Trustees are also invited to seminars and other development opportunities on governance, investment and charitable funding.

POWERS OF INVESTMENT

The Lothian Health Board's powers of investment in its capacity as corporate Trustee of the Lothian Health Board Endowment Fund are principally derived from the Foundation Charter and the Charities and Trustee Investment (Scotland) Act 2005:

Trustees are entitled to make any kind of investment of the endowment including a wider power to acquire stocks and shares, or heritable property. Trustees' duties before making an investment are to consider the need for diversification of investments, consider the suitability of the proposed investments, and to consider obtaining appropriate advice.

Trustees also have powers to appoint nominees (i.e. an investment manager) for the purpose of investment.

REMUNERATION

Trustees are responsible for the appointment of the senior officers (Higher than Agenda for Change Band 7) in accordance with NHS Scotland Agenda for Change policy framework.

NETWORKS AND AFFILIATIONS

The Foundation is a member of NHS Charities Together (formerly the Association of NHS Charities) and a founding member of the NHS Scotland Endowments Network Group, both of which promote the effective working of NHS Charities.

The Foundation is also a member of the Scotland Funders Forum, Scottish Grantmakers, committed to best practice in funding the voluntary and community sector and maximising the impact of funding for the benefit of Scotland, and the Association of Charitable Foundations. The new Head of Fundraising is a member of the Institute of Fundraising.



Trustees' responsibilities

The Trustees are responsible for preparing the Trustees' Report and the Financial Statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which show a true and fair view of the state of affairs of the foundation and of the incoming resources and application of resources of the Foundation.

In preparing these financial statements, generally accepted accounting practice requires that the Trustees:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether the recommendations of the Statement of Recommended Practice have been followed, subject to any material departures disclosed and explained in the financial statements;
- State whether the financial statements comply with applicable accounting standards and the requirements of the National Health Service (Scotland) Act 1978, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the foundation will continue its activities.

The Trustees are required to act in accordance with the *National Health Service (Scotland) Act 1978*, within the framework of trust law. They are responsible for keeping adequate accounting records, sufficient to disclose at any time, with reasonable accuracy, the financial position of the foundation at that time, and to enable the Trustees to ensure that, where any statements of accounts are prepared by them under section 44 of the *Charities and Trustee Investment (Scotland) Act 2005*, those statements of accounts comply with the requirements of regulations under that provision. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the foundation and to prevent and detect fraud and other irregularities.

Approved by the Edinburgh & Lothians Health Foundation Trustees at their meeting held on 24 June 2020.

DISCLOSURE OF INFORMATION TO AUDITORS

To the knowledge and belief of each of the persons who are Trustees at the time the report is approved:

- a) So far as the Trustee is aware, there is no relevant information of which the organisation's auditor is unaware; and,
- b) He/she has taken all steps that he/she ought to have taken as a Trustee to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Approved by the Trustees and signed on their behalf by:

Esther Robertson

24 June 2020

Susan Goldsmith

24 June 2020



Organisation

TRUSTEE BOARD

Brian Houston.....(Chairman until 31/1/20)	Martin Hill (vice-chair)	Prof Alex McMahon.....
Esther Robertson (Chairman from 10/2/20)	Carolyn Hirst.....	Bill McQueen
Michael Ash.....	Prof Tracy Humphrey (until 31/1/20)	Alison Mitchell.....
Martin Connor.....	Fiona Ireland	Derek Milligan.....
Tim Davison.....	Alex Joyce.....	Peter Murray
Dr Patricia Donald.....	Katharina Kasper.....(from 1/2/20)	Fiona O'Donnell.....
Tracy Gillies	Prof Alison McCallum	Prof Moira Whyte
Susan Goldsmith.....	Angus McCann	Dr Richard Williams.....
George Gordon.....	John McGinty.....	

DECISION MAKING AND COMMITTEES

Trustees are responsible for the general control and management of the administration of the Foundation, agreeing the strategy, any policies pertinent to governance and control, annual budgets, and internal and external audit. Trustees approve the Annual Report and Accounts, the establishment, membership and Terms of Reference of any committee, and consider any proposal for expenditure outwith the strategy and annual budget over £500k. There were four full Trustee meetings during 2019/20.

Trustees are usually served by one committee and two advisory groups. Both are chaired by a Trustee, but include non-Trustee members. Both report to the full Trustee Board:

The Charitable Funds Committee is appointed to develop the Foundation's strategy and objectives, oversee the implementation of an infrastructure appropriate to its efficient and effective running, oversee the expenditure and investment plans, and monitor the performance of the Foundation's activities ensuring it adheres to the principles of good governance and complies with all relevant legal requirements.

The Arts Advisory Group is appointed to advise on the Arts in Health and Wellbeing Strategy and associated budget, and the ongoing programme activity.

The Greenspace and Health Advisory Group is appointed to advise on the Greenspace and Health Strategy and associated budget, and the development of programmes and activities.

On 8th April 2020 Trustees approved a recommendation to temporarily establish an Emergency Management Board to meet the short-term governance obligations and operational continuity of the Foundation during the period of the Coronavirus COVID-19 crisis and response.

Trustees delegate day-to-day control of operations to the Foundation Director, who is responsible for the management of the Foundation and ensuring that the Trustees' strategies and policies are followed.

ADVISORS

Auditors (Statutory)

Scott-Moncrieff Audit Services
Exchange Place
3 Semple Street
Edinburgh EH3 8BL

Auditors (Internal)

NHS Lothian
Waverley Gate
2-4 Waterloo Place
Edinburgh EH1 3EG

Investment Managers

Schroder & Co Ltd
t/a Cazenove Capital
Management
1 London Wall Place
London EC2Y 5AU

Investment Advisors

Mercer
Quartermile One
15 Lauriston Place
Edinburgh EH3 9EP

Bankers

The Royal Bank of Scotland plc
Commercial Banking
1st Floor, Gemini Building
24-25 St Andrew Square
Edinburgh EH2 1AF

Solicitors

Turcan Connell
Princes Exchange
1 Earl Grey Street
Edinburgh EH3 9EE

STAFF

Jane Ferguson.....	Director
Patricia Irving	Head of Finance
Nicola Sinclair	Head of Fundraising
Rhonda Baillie	Payments Officer
Elaine Blaney	PA/Fundraising Assistant
Diane Ellis	Marketing & Comms Manager
Maisie Fordwood	Assistant Accountant
Natalie Franks	Funds Administrator
Susan Grant	Arts Manager
Angela Gray.....	Arts, Participation & Engagement Manager
Karl Harrison	Accounting Assistant
Ian Mackenzie	Green Health Programme Manager
Owen Siddalls	Grants Manager



Auditor's Report and Financial Statements

**East Lothian Community Hospital Sanctuary.
Artist: Lindsay Perth.**



Independent Auditor's Report to the Trustees for the year ended 31 March 2020

Opinion

We have audited the financial statements of Edinburgh and Lothians Health Foundation for the year ended 31 March 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the foundation's affairs as at 31 March 2020 and of its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the National Health Service (Scotland) Act 1978.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in which the ISAs (UK) require us to report to you where:

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the foundation's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Accounts (Scotland) Regulations 2006 (as amended) require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the Trustees' Report; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of the Trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 27, the Trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the

going concern basis of accounting unless the Trustees either intend to liquidate the foundation or to cease operations, or have no realistic alternative but to do so.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the foundation's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the foundation's Trustees, as a body, in accordance with regulation 10 of the Charities Accounts (Scotland) Regulations 2006 (as amended) and the National Health Service (Scotland) Act 1978.

Our audit work has been undertaken so that we might state to the foundation's Trustees, as a body, those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the foundation and the foundation's Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

Scott-Moncrieff Audit Services

24 June 2020

Scott-Moncrieff Audit Services, Statutory Auditor

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL



Financial statements

Statement of financial activities for the year ended 31 March 2020

		Unrestricted funds 2020	Restricted funds 2020	Total funds 2020	Unrestricted funds 2019	Restricted funds 2019	Total funds 2019
	NOTE	£000	£000	£000	£000	£000	£000
Income and endowments from:							
Donations and legacies	2	844	1,338	2,182	545	2,901	3,446
Investments	3	1,600	601	2,201	1,557	562	2,119
Total		2,444	1,939	4,383	2,102	3,463	5,565
Expenditure on:							
Raising funds	4	250	169	419	201	143	344
Charitable activities	5	1,816	4,164	5,980	2,142	3,190	5,332
Total		2,066	4,333	6,399	2,343	3,333	5,676
Net (losses)/gains on investments							
		(2,220)	(1,556)	(3,776)	2,774	1,992	4,766
Net (expenditure)/income		(1,842)	(3,950)	(5,792)	2,533	2,122	4,655
Transfers between funds		(4)	4	-	-	-	-
Net movement in funds		(1,846)	(3,946)	(5,792)	2,533	2,122	4,655
Reconciliation of funds							
Total funds brought forward	14	51,782	29,630	81,412	49,249	27,508	76,757
Total funds carried forward		49,936	25,684	75,620	51,782	29,630	81,412

The Statement of Financial Activities includes all gains and losses recognised in the year.

All results relate to continuing activities.

Notes 1 – 18 on pages 35-46 form part of these accounts.



Financial statements

Balance sheet as at 31 March 2020

		Total funds 2020	Total funds 2019
	NOTE	£000	£000
Fixed assets			
Investments			
Securities	8	70,991	68,361
Cash awaiting investment	11	174	127
Investment property	8	11,305	11,120
Total fixed assets		82,470	79,608
Current assets			
Short term investments	8	2,035	2,018
Debtors	10	1,502	9,791
Cash at bank and in hand	11	4,471	5,359
Total current assets		8,008	17,168
Current liabilities			
Creditors: amounts falling due within one year	12	(3,407)	(3,064)
Net current assets		4,601	14,104
Total assets less current liabilities		87,071	93,712
Long term creditor	12	(11,451)	(12,300)
Financed by – charity fund total	17	75,620	81,412

Notes 1 – 18 on pages 35-46 form part of these accounts.

The Edinburgh & Lothians Health Foundation Accounts for the year ended 31 March 2020 were approved by the Trustees at their meeting held on 24 June 2020.

Mrs Susan Goldsmith
Trustee
24 June 2020

Ms Esther Robertson
Chairman of Trustees
24 June 2020



Financial statements

Statement of cash flows

for the year ended 31 March 2020

	NOTE	Total funds 2020 £000	Total funds 2019 £000
Cashflows from operating activities			
Net cash provided by / (used in) operating activities		3,459	(1,631)
Cash flows from investing activities			
Dividends, interest and rents from investments		2,201	2,119
Proceeds from sale of investments		16,337	12,552
Purchase of investments		(22,838)	(12,235)
Net cash (used in) / provided by investing activities		(4,300)	2,436
Change in cash and cash equivalents in the reporting period		(841)	805
Cash and cash equivalents at the beginning of the reporting period		5,486	4,681
Cash and cash equivalents at the end of the reporting period	11	4,645	5,486

RECONCILIATION OF NET INCOME TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2020 £000	2019 £000
Net income for the reporting period (as per the statement of financial activities)	(5,792)	4,655
Adjustments for:		
Revaluation (gain) on revaluation of investment property	(185)	0
Revaluation losses / (gains) on investments	3,854	(4,519)
Dividends, interest and rents from investments	(2,201)	(2,119)
Decrease / (Increase) in debtors	8,289	(1,374)
(Decrease) / Increase in creditors	(506)	1,726
Net cash provided by / (used in) operating activities	3,459	(1,631)



Notes to the accounts

PRINCIPAL ACCOUNTING POLICIES

I. GENERAL INFORMATION

I.1 Basis of preparation

These financial statements are presented in pounds sterling (GBP) as that is the currency in which the foundation's transactions are denominated. They comprise the financial statements of Edinburgh and Lothians Health Foundation. The objective of Edinburgh and Lothians Health Foundation is the advancement of health and the promotion of physical and mental health and wellbeing of the people of Scotland. Edinburgh and Lothians Health Foundation is an unincorporated charity, recognised as a charity for tax purposes by HMRC and registered with the Office of the Scottish Charity Regulator (OSCR) under charity number SC007342. Details of the principal address can be found on page 26 of the financial statements.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with the United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (FRS 102), the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities, applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)', published in October 2019, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), the National Health Service (Scotland) Act 1978 and the foundation's constitution.

Edinburgh and Lothians Health Foundation meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost unless otherwise stated in the relevant accounting policy.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires Trustees to exercise their judgement in the process of applying the accounting policies. Use of available information and application of judgement are inherent in the formation of estimates. Actual outcomes in the future could differ from such estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note I.14.

The principal accounting policies applied in the preparation of these financial statements are noted below. These policies have been applied consistently to all the years presented in dealing with items which are considered material in relation to the foundation's financial statements unless otherwise stated.

Going concern

The Trustees are of the opinion that the foundation can continue to meet its obligations as they fall due for the foreseeable future. The financial position and cash-flow forecasting is reviewed on a regular basis by the Charitable Funds Committee and reported to Trustees. The assessment of going concern includes the expected impact of COVID-19 to the entity in the 12 months following the signing of these financial statements. As a consequence the Trustees have prepared the financial statements on a going concern basis.

Controlling entity

The financial statements are consolidated into the Lothian Health Board (operating as NHS Lothian). The basis of the consolidation is merger accounting. The accounts are available on the website of NHS Lothian.

I.2 Income

Donations and grants are recognised once the foundation has entitlement to the resources, it is probable that the resources will be received and the monetary value of incoming resources can be measured with sufficient reliability.

Investment income is recognised when right to receipt is established.

Incoming resources are included gross of any tax recoverable.

Income that is restricted by the donor is included in an existing restricted fund that most closely matches the nature of the restriction unless it is not possible to match the donation to a fund in which case a new fund will be established. Income which has no restrictions attached is included in the general funds of the foundation.

Legacies are accounted for as incoming resources either upon receipt or where the receipt of the legacy is probable; this will be once confirmation has been received from the representatives of the estate(s) that payment of the legacy will be made or property transferred once all conditions attached to the legacy have been fulfilled.

Where legacies have been notified to the foundation and the criteria for income recognition haven't been met, the legacy is treated as a contingent asset and disclosed if material. Legacy income is measured at fair value, generally the cash amount receivable, and is discounted if deferred for more than 12 months. The unwinding of the discount is recognised as interest receivable.



I.3 Resources expended and recognition of liabilities

All expenditure is recognised when there is a legal or constructive obligation committing the foundation to the expenditure. Expenditure is accounted for on an accruals basis and has been classified under headings of raising funds and charitable activities, which aggregate all costs related to the category.

The costs of generating funds are the direct costs associated with raising funds and include fundraising costs and investment management fees. Fundraising costs are those incurred in seeking voluntary contributions and include direct costs such as publicity and direct mailing material. Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of charitable activities.

Costs of charitable activities comprise all costs identified as wholly or mainly incurred in the pursuit of the charitable objects of the foundation. These costs, where not wholly attributable, are apportioned between the categories of charitable expenditure in addition to direct costs. The total costs of each category of charitable expenditure therefore include support costs and the apportionment of overheads, as shown in note 5.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of the foundation. These costs include costs related to statutory audit together with an apportionment of overhead and support costs.

Any irrecoverable VAT is charged to the statement of financial activities, or capitalised as part of the cost of the related asset, where appropriate. Most items of medical or scientific equipment and aids for the handicapped may be zero-rated for VAT purposes when purchased wholly from charitable funds.

The foundation is not separately registered for VAT. As permitted by HM Revenue & Customs (HMRC) under the NHS Contracted Out Services Regulations, VAT on relevant invoices paid from Endowment Funds is reclaimed using Lothian Health Board's own VAT registration reference. Amounts reclaimed are credited to the endowment funds which bore the costs initially.

I.4 Investments

Investments and properties are stated at fair value at the balance sheet date. The investment property was revalued on 28 August 2015 by Rydens Property Consultants and Chartered Surveyors, in accordance with RICC guidelines, on an open market value basis

Quoted stocks and shares are included in the balance sheet at mid-market price, excluding dividends as this is not materially different from bid value.

Any realised gains and losses on revaluation or disposals are disclosed in the Statement of Financial Activities.

I.5 Realised and unrealised gains and losses

All gains and losses are taken to the Statement of Financial Activities as they arise. Realised gains and losses on investments are calculated as the difference between sales proceeds and the carrying value (purchase date if later). Unrealised gains and losses are calculated as the difference between the fair value at the year-end and the carrying value (or purchase date if later).

I.6 Heritage assets

Heritage assets are not included in the balance sheet at valuation as they are not held for the purposes of conservation but to promote the arts in health and wellbeing. The Foundation has an inventory of artworks and other minor collectables. Acquisitions and gifts of historical or other heritage value to the Foundation are not generally made. The Trustees do not have any plans to dispose of heritage assets. The management of the heritage assets of the Foundation are overseen by its Board of Trustees. The details of heritage assets are in note 9.

I.7 Pensions

The Foundation is a grant making charity and has no employees (Foundation staff are employees of NHS Lothian); any pension contribution or taxation liabilities that may arise are solely the responsibility of the grant recipient.

I.8 Taxation

The Foundation has charitable status and is exempt from income tax under Section 505 of the Income and Corporation Taxes Act 1988 and capital gains tax under Section 256 of the Taxation of Chargeable Gains Act 1992 and the Foundation is entitled to describe itself as a Scottish charity.



I.9 Funds

Unrestricted funds are income sources which are receivable for the objects of the foundation without further specified purposes and are available as general funds.

Designated funds are unrestricted income sources which have been earmarked for a specific future purpose.

Restricted funds are to be used for specific purposes as laid down by the donor.

Expenditure which meets these criteria is charged to the fund, together with a fair allocation of management and support costs.

I.10 Accrued income

Accrued income relates to legacies and dividend income to which the foundation is entitled which has not been received at the year end.

I.11 Creditors

Trade creditors are obligations to pay for goods or services that have been acquired. They are recognised at the undiscounted amount owed to the supplier, which is normally the invoice price.

I.12 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, cash balances held within the investment portfolio, balances held in commercial banks and other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

I.13 Financial assets and financial liabilities

Financial instruments are recognised in the statements of financial activities when the foundation becomes a party to the contractual provisions of the instrument.

Financial instruments are initially measured at transaction price unless the arrangement constitutes a financing transaction which includes transaction costs for financial instruments not subsequently measured at fair value.

Subsequent to initial recognition, they are accounted for as set out below. A financing transaction is measured at the present value of the future payments discounted at the market rate of interest for similar debt instrument.

Financial instruments are classified as either 'basic' or 'other' in accordance with Chapter II of FRS 102.

At the end of each reporting period, basic financial instruments are measured at amortised cost using the effective interest rate method. All financial instruments not classified as basic are measured at fair value at the end of the reporting period with the resulting changes recognised in income or expenditure. Where the fair value cannot be reliably measured, they are recognised at cost less impairment.

Financial assets are derecognised when the contractual rights to the cash flows from the asset expire, or when the Foundation has transferred substantially all the risks and rewards of ownership.

Financial liabilities are derecognised only once the liability has been extinguished through discharge, cancellation or expiry.

Current assets and current liabilities are measured at the cash value expected to be paid or received.

I.14 Significant estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Foundation makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The Foundation makes judgements in applying accounting policies.



Thanks to all the folks who put these amazing Activity Packs together. As you know there have been no visitors to the ward for a few weeks. Having these bags of goodies gives our patients therapeutic activities to keep them busy and focused."





2. DONATIONS & LEGACIES

	Unrestricted funds 2020	Restricted funds 2020	Total funds 2020	Unrestricted funds 2019	Restricted funds 2019	Total funds 2019
	£000	£000	£000	£000	£000	£000
Donations	265	724	989	285	1,900	2,185
Legacies	531	579	1,110	187	993	1,180
Grants	48	35	83	73	8	81
Total donations and legacies	844	1,338	2,182	545	2,901	3,446

3. INVESTMENT INCOME

	Unrestricted funds 2020	Restricted funds 2020	Total funds 2020	Unrestricted funds 2019	Restricted funds 2019	Total funds 2019
	£000	£000	£000	£000	£000	£000
Listed equity investments	1,280	572	1,852	1,248	535	1,783
Schroder	1	24	25	1	24	25
Bank interest	10	5	15	5	3	8
Rental property	309	0	309	303	0	303
Total investment income	1,600	601	2,201	1,557	562	2,119

4. RAISING FUNDS

	Unrestricted funds 2020	Restricted funds 2020	Total Funds 2020	Unrestricted funds 2019	Restricted funds 2019	Total Funds 2019
	£000	£000	£000	£000	£000	£000
Investment management	197	133	330	192	137	329
Fundraising costs	53	36	89	9	6	15
Total raising funds	250	169	419	201	143	344



5. CHARITABLE ACTIVITIES

The Foundation did not undertake any direct charitable activities on its own account during the year. Grants were approved in favour of beneficiaries and the Foundation incurred expenditure with third parties in pursuance of those grants or reimbursed expenditure incurred by beneficiaries. Support costs have been apportioned across the categories of charitable expenditure based upon the level of expenditure on grant funded activity.

An initial allocation of overhead and support costs has been made to unrestricted funds and restricted funds based on the balances on these funds at the end of the financial year, exclusive of heritable properties. From this allocation, balances are then identified for governance related costs leaving a residue to be allocated and /or apportioned across all other activities, namely charitable expenditure and costs of generating funds.

	Unrestricted funds 2020	Restricted funds 2020	Total funds 2020	Unrestricted funds 2019	Restricted funds 2019	Total funds 2019
	£000	£000	£000	£000	£000	£000
Grant Making						
Grant funding of activities (note 6)	1,519	3,964	5,483	1,861	2,989	4,850
Support costs (Note 7)	237	160	397	227	163	390
Governance (Note 7)	60	40	100	54	38	92
Total charitable activities	1,816	4,164	5,980	2,142	3,190	5,332

6. ANALYSIS OF GRANTS EXPENDITURE

The Foundation does not make grants to individuals. The total cost of making grants is disclosed on the face of the Statement of Financial Activities. Restricted funds are operated on Trustees' behalf by Stewards, who may disburse grants to a designated limit of £5,000 based on the purposes of that fund.

Total grant making expenditure was £5,483k of this the following institutions received grant funding above £100,000:

	£000
Institutional Grants	
NHS Lothian	3,080
University of Edinburgh	861
Other Organisations	1,542
Total	5,483

Note 16 contains more detail on the grant making expenditure with NHS Lothian.

**7. ANALYSIS OF SUPPORT & GOVERNANCE COSTS**

	Charitable Activities	Governance costs	2020	Charitable Activities	Governance costs	2019
	£000	£000	£000	£000	£000	£000
Salaries and related costs	319	56	375	306	54	360
External Audit	0	18	18	0	15	15
Rent/post/phone	78	26	104	84	23	107
Total	397	100	497	390	92	482

The Foundation Office costs in 2019/20 totalled £497,000 (2018/19: £482,000). This is represented principally by costs of ten NHS Board employees (2018/19 – nine). They work exclusively for the Foundation, providing a service Lothian-wide.

Only one senior employee earned an emolument of more than £60,000 per annum during 2019/20, being in receipt of salary in the band £80,000 to £90,000 (2018/19 – £80,000 to £90,000). Employer pension contributions for the senior employee during 2019/20 were £18,420 (2018/19 – £12,893). Total employee benefits of key management personnel were £229,228 (2018/19 £110,291)

No Trustee received any remuneration or expenses from the Foundation during the year (2018/19 – none).

Scott-Moncrieff Audit Services did not receive any fees for non-audit activities in 2019/20 (2018/19: £Nil).

Other key expenditure items during the year relate to a SLA with NHS Lothian for financial services provision, operational website costs, legal and property costs and other office expenditure.

8. INVESTMENTS

	Investment Property 2020	Market Investments 2020	Total 2020	Investment Property 2019	Market Investments 2019	Total 2019
	£000	£000	£000	£000	£000	£000
Cost or valuation at 31 March 2019	11,120	68,361	79,481	11,120	64,174	75,294
Acquisitions	0	22,821	22,821	0	12,220	12,220
Disposals	0	(16,337)	(16,337)	0	(12,552)	(12,552)
Revaluation gain / (loss)	185	(3,854)	(3,669)	0	4,519	4,519
Valuation at 31 March 2020	11,305	70,991	82,296	11,120	68,361	79,481

The historic cost of market investments is £63,299k (2018/19 £55,020k).

The investment property was last revalued on 28 August 2015 by Rydens Property Consultants and Chartered Surveyors, in accordance with RICC guidelines, on an open market value basis. The revaluation gain in the year relates to properties at Hatton Place and Caledonian Road.

There is a short term cash investment of £2,035k greater than 3 months but under one year that is shown within current assets.

Whilst the Foundation (together with NHS Lothian) have concluded conditional missives on the joint sale of the RHSC / Sciennes estate, the final receipt and disposal costs are not yet known.



9. HERITAGE ASSETS

The Foundation possesses an inventory of historical and contemporary artworks and other minor collectables which are not held for the purposes of conservation but to promote the use of arts and heritage as a therapeutic component of improving health and wellbeing for patients and visitors to NHS premises. At 31 March 2020 the latest available valuation (April 2009) of the inventory was approximately £1,344,000. Valuations are ongoing by the Royal Scottish Academy and National Galleries.

10. DEBTORS

	2020	2019
	£000	£000
Tax recoverable	20	45
Prepayment & accrued income	1,482	9,746
Total	1,502	9,791

11. CASH AND CASH EQUIVALENTS

	2020	2019
	£000	£000
Cash at bank	3,456	4,351
Cash at investment manager	174	127
Notice deposits < 3 months	1,015	1,008
Total cash and cash equivalents	4,645	5,486

12. CREDITORS

	2020	2019
	£000	£000
Creditors due within 1 year		
Trade payables	0	26
Accruals	3,407	3,038
Total	3,407	3,064
Creditors due greater than one year		
Accruals	11,451	12,300
Total Creditors	14,858	15,364

The creditors falling due after one year relate to the agreed commitment in relation to the Haematology project, expected timeline of payment is during the financial year 2021/22.

**13. FINANCIAL ASSETS & LIABILITIES**

	2020	2019
	£000	£000
Financial assets at fair value	70,991	68,361
Financial assets at amortised costs	8,182	17,295
Financial liabilities at amortised costs	14,858	15,364

Current assets and current liabilities are measured at the cash value expected to be paid or received.

14. ANALYSIS OF SPECIFIC FUNDS

Hospital Specific Funds >£100k	Balance B/fwd	Income	Expenditure	Transfer In/(Out)	Gains / (Losses)	Balance at 31/03/2020
	£000	£000	£000	£000	£000	£000
St John's Hospital at Howden:						
Oncology & Haematology Day Unit Fund	-	29	(4)	136	0	161
Martha Ritchie Cancer Care Fnd	188	43	(28)	0	0	203
Western General Hospital						
WGH Neurological Surgery Fund	462	20	(17)	0	0	465
Edinburgh Cancer Centre Fund	246	157	(91)	0	0	312
Rheumatic Diseases Unit Fund	162	76	(5)	0	0	233
Edinburgh Centre For Neuro-Oncology	122	7	(4)	0	0	125
Microbiological Research Fund	118	3	(19)	0	0	102
J. King Urological Cancers Research	255	46	(128)	0	0	173
Head & Neck Cancer Research Fund	215	15	(46)	0	0	184
General Oncology Department Fund	765	23	(205)	0	0	583
Fighting Cancer In Edinburgh	136	80	(84)	0	0	132
Colorectal Research Fund	140	7	(2)	0	0	145
Haematology Research Fund	745	39	(297)	0	0	487
Paul Abraham Molecular Laboratory Fund	207	7	(4)	0	0	210
Edinburgh Neurology Fund	182	13	(10)	0	0	185
Breast Cancer Institute Fund	1,014	135	(410)	98	0	837
Astley Ainslie Hospital						
Edinburgh Physio Rehab Service Fund	104	3	(2)	0	0	105
Royal Victoria Building:						
The Edinburgh Parkinson's Service Fund	135	5	(8)	0	0	132
Roodlands Hospital:						
Harriet Connolly Fund	127	4	(7)	0	0	124



Hospital Specific Funds >£100K	Balance B/fwd	Income	Expenditure	Transfer In/(Out)	Gains / (Losses)	Balance at 31/03/2020
Simpson Centre for Reproductive Health:						
G & J Bassett Legacy Fund	365	11	(75)	0	0	301
Royal Hospital for Sick Children:						
Calderwood Paediatric Cardiology Fund	239	6	(61)	0	0	184
Trastevere Fellowship Paediatric Pathology	138	4	(3)	0	0	139
Leukaemia & Cancer Fund	464	22	(47)	0	0	439
Royal Infirmary of Edinburgh:						
Kidney Transplant	280	10	(14)	0	0	276
Cornary Care Unit Fund	367	12	(7)	0	0	372
Scottish Liver Transplant Unit	187	22	(28)	0	0	181
Edinburgh Vascular Research Fund	243	13	(77)	0	0	179
CEG Wright Renal Scanner Fund	305	10	11	0	0	326
Medical Renal Unit Fund	808	63	(19)	0	0	852
Renal Research Fund	151	5	(4)	0	0	152
(RIE) Orthopaedics Department Fund	184	6	(12)	0	0	178
Brown & Ireland Estate Arthritis Fund	136	4	(10)	0	0	130
Princess Alexandra Eye Pavilion:						
Treatment of Blindness & Research Fund	163	4	(52)	0	0	115
Eye Research Fund	170	277	(118)	0	0	329
Total Hospital Specific Funds >£100,000	9,523	1,181	(1,887)	234	0	9,051

Division-wide Specific Funds >£100K	Balance B/fwd	Income	Expenditure	Transfer In/(Out)	Gains / (Losses)	Balance at 31/03/2020
	£000	£000	£000	£000	£000	£000
Dorothy Melville Bequest – Edi	520	17	(11)	0	0	526
Camhs Eat Diso, Rsrc&Selfhelp	605	19	(159)	0	0	465
Edin Cancer Centre Rsrch Fund	1,984	51	(952)	0	0	1,083
Edinburgh Heart Centre Fund	739	216	(107)	0	0	848
Share of Undistributed Investment Reserves	9,997	1	0	0	(1,556)	8,442
Total Division-wide Specific Funds >£100,000	13,845	304	(1,229)	0	(1,556)	11,364
Other Specific Funds less than £100,000	6,262	454	(1,217)	(230)	-	5269
Total Hospital & Division-wide Specific Funds >£100k	29,630	1,939	(4,333)	4	(1,556)	25,684



The Trustees set a closing balance of £100,000 or above as the threshold for separate reporting of material funds.

The titles of the individual funds are indicative of the particular speciality, department, hospital or research activity that they support. They fall into two broad categories – funds received by way of legacies or substantive donations to support particular specialities/developments/research activities. Alternatively, they are funds of a custodial nature established at the request of designated Fund Stewards and controlled by them on an operational basis, but subject to the general oversight of the Trustees.

Although Investment Reserves are held for the benefit of individual General (Unrestricted) and Specific (Restricted) Funds, they are held in separate Reserve Accounts until such time as the Trustees may deem it appropriate for part or all of the reserves to be distributed to individual Funds.

General (unrestricted) funds exist for each hospital or group of hospitals in Lothian to hold donations where the donor has made the donation for the benefit of an individual hospital or group of hospitals but not specified how the Funds are to be expended. In these circumstances, the Trustees use their discretion in deciding how to use these Funds.

There are many individual Specific (Restricted) Funds where the donor has expressed a wish as to how the donation is to be used. Typical uses are research, patient amenities and equipment.

Transfers

There was one transaction in the year in relation to transfers to the Specific from General.

15. MATERIAL DONATIONS, LEGACIES OR GRANTS

Details of all individual donations, legacies or grants of over £50,000 are listed below:

Donation/Grant to:	Donor/Legator/Grantor	Purpose	Amount
			£000
Lothian Health Board	Dorothy Gibson, deceased	General Fund	352
Princess Alexandra Eye Pavilion	Patricia King, deceased	Eye Research Fund	195
Western General Hospital	James Davis, deceased	Edinburgh Heart Centre Fund	146
Lothian Health Board	Baillie Gifford	COVID 19 Emergency Response Fund	100
Western General Hospital	Sarah Preston, deceased	General Surgery/Urology	80
Western General Hospital	Cecilia Handford, deceased	Rheumatic Diseases Unit Fund	69
Royal Hospital for Children & Young People	Robert Mitchell, deceased	RHSC (General Purposes) Site Fund	55
Royal Infirmary of Edinburgh	John Howard, deceased	RIE General Purposes Fund	52
Princess Alexandra Eye Pavilion	Eleanor Craig	Eye Research Fund	50
Total			1,099



16. RELATED PARTY TRANSACTIONS

The Trustees are all executive or non-executive members of Lothian Health Board. There were no transactions with the Trustees or their related organisations during the year other than with Lothian Health Board. The foundation's grant making transactions remitted to Lothian Health Board during the financial year amounted to £3,080,000 (breakdown shown below). Included within income is rental income of £305,000 from Lothian Health Board. As stated in note 7 the Foundation administrative support costs consist mainly of staff on Lothian NHS Board employment contracts with a cost of £375,000 which was charged by the Health Board. At 31 March 2020 there was a balance outstanding of £61,000 payable and an accrual of £11.45m to NHS Lothian.

Expenditure with NHS Lothian:	Further info	Amount £000
General Funds		
Royal Infirmary of Edinburgh Capital Grants		475
R&D infrastructure 19/20	Page 11	50
Other NHSL – small projects		114
Patient Wi-Fi		72
Small Grants 19/20		127
REH – decrease of provision		(660)
Ward Funds		
Numerous small projects		101
Specific Funds		
Edinburgh Cancer Centre Clinical Trials Unit		1,064
Other specific fund expenditure		1,737
Total grant making expenditure with NHSL		3,080

17. ANALYSIS OF NET ASSETS ACROSS FUNDS

	Unrestricted Funds 2020	Restricted Funds 2020	Total 2020	Unrestricted Funds 2019	Restricted Funds 2019	Total 2019
	£000	£000	£000	£000	£000	£000
Investment property	11,305	0	11,305	11,120	0	11,120
Investments	35,717	35,448	71,165	38,407	30,081	68,488
Net current assets less long term creditors	2,914	(9,764)	(6,850)	2,255	(451)	1,804
Net assets	49,936	25,684	75,620	51,782	29,630	81,412

18. ANALYSIS OF CHANGES IN NET DEBT

	At Start of Year	Cash-Flows	Foreign Exchange Mvt	Other Non-Cash Changes	Other	At End of Year
	£000	£000	£000	£000	£000	£000
Cash and cash equivalents	5,486	(841)	0	0	0	4,645
Total	5,486	(841)	0	0	0	4,645



This report is available in large print

REGISTERED OFFICE

Lothian Health Board Endowment Fund
Waverley Gate
2-4 Waterloo Place
Edinburgh EH1 3EG

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